

# The Political Forum

*A review of social and political trends and events  
impacting the world's financial markets*

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Friday, February 7, 2003

## A REPRINT FROM A PIECE PUBLISHED JANUARY 10, 1996

### APOCALYPSE SOON?

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The two big stories in Washington last week were the deal cut by the GOP to halt the on-going partial government shutdown, and the sudden appearance of documents linking Hillary Rodham Clinton to some suspicious Whitewater activities. Both events are, I think, important. Each will, I believe, in its own way, have a lasting impact on the political landscape of the United States, and thus on the nation's economic and social future.

Nevertheless, I thought this week that I would comment only briefly on these stories. One reason is that my colleague Chuck Gabriel is writing on the budget standoff. Another is that I am working with another colleague, David Tappan, on a Whitewater piece that I hope will be ready for next week.

The more important consideration, however, is that I want to leave room this week for some comments on another topic; one that I think has significant potential to affect the future of the nation, and one that has, in my opinion, received insufficient attention. I am speaking of the threat of a major increase in the incidence and intensity of attacks of domestic terrorism.

As regards the budget deal, I think the tactical retreat of the GOP last week will work out fine. I would have liked for them to have stuck it out for a while. But as I have said numerous times in these pages, I believe that the outcome of the war against old style liberalism is quite clear. To use a World War II analogy, the Republicans landed at Normandy when they defeated Hillary's plan to nationalize the nation's health care system. The heavy armor needed to continue the attack arrived when the GOP took control of Congress last November.

Terrible battles await, and some will be lost. Casualties may be high. But victory, in my opinion, is assured. Washington is already a very different place than it was before Newt Gingrich assumed command of the "good guys." The nation is on the path to a balanced budget, lower taxes, and smaller government. There are fewer liberal Democrats in office across the

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nation, and little or no chance for them to regain enough power to begin another round of relentless government expansion.

One thing is worth considering, I think, when contemplating the action of Republicans last week. Bill Clinton has a clear tactical advantage in fights of this sort. He is supreme commander of his troops. They do what he says. Gingrich is leading a committee of some 236 volunteers. He can't order any "over the top." He can beg and cajole them to follow him, but any or all can abandon him at any time, if the going gets too tough.

Gingrich must spend enormous energy just keeping the morale of his troops from lagging, and retaining their loyalty. Mutiny is possible at any time. One bad poll can result in hours of meetings, and wholesale panic. In addition, of course, he must coordinate his offense with another Army, namely the Senate Republicans, which is under an entirely independent command. Under the circumstances, I believe Gingrich is doing an astounding job. The political skills he has shown this year are, in my opinion, vastly under appreciated by the political gurus in the media. I don't expect Gingrich to win every battle. But I still think he'll win this war.

As I said, I plan to write about Whitewater next week. But in the meantime, I would say this about the latest developments.

o Live TV coverage of the upcoming Whitewater hearings in both houses of Congress is now, I think, assured. Last year's hearings went largely unnoticed, even though considerable evidence of possible wrongdoing by White House officials and sundry friends of the "First Family" were uncovered. As a result, the hearings had little impact on Bill's standings in the polls. Now, with Mrs. Clinton in the crosshairs, and the O. J. trial off the front pages, it looks like the public is becoming more interested, which could lead the media to become more interested also. This is likely to cause a decline in Clinton's polls, which would lessen his strength in upcoming standoffs with the GOP over other matters, including the budget.

o The possibility of several rounds of highly intense Whitewater hearings will take a tremendous toll on the time and energy of White House staff, at a time when both are at a premium as a result of the budget standoff, the troop deployment in Bosnia, and preparation for the upcoming election campaign.

o The fact that several long-lost Whitewater papers were, in the words of D'Amato, "miraculously discovered" last week could mean that the Clintons' lawyers are getting edgy about how willing they are to participate in fudging on subpoenas demands. It could be that these documents did indeed just "turn up." But if they didn't, my guess is that something significant has occurred between the Clinton's and their personal lawyers.

o It could be dangerous to the Clintons, I think, for their White House friends to be calling David Watkins a liar. He is the author of a just-discovered memo accusing Hillary of being behind the firing of the old White House travel office employees. But he is also a former close friend of the First Lady, so close in fact that he once cut her in on a cellular phone deal which netted her a cool \$25,000 or so. He knows a lot. He's not a good guy for them to have angry.

Anyway, more on this next week. In the meantime, I'd like to discuss the views of a man with whom I had lunch recently. His name is Peter Probst. He works in the Office of the Secretary of Defense as a Special Assistant for Concept Development. He has spent the past 20 years working with "problems relating to international terrorism and political violence."

Peter is an ordinary looking, middle-aged man. He is a nice guy, obviously very smart, and by all indications quite sane. There are limits to what he can say on the record. But he told me the following, then provided a copy of a speech he gave recently so I could have exact quotes.

"Terrorist use of an improvised nuclear device is a real threat, but I am less concerned that terrorists may construct a crude nuclear bomb than use another nuclear option--an option that is not often discussed but, carries with it, much the same horror as the mushroom cloud. And it does not involve stealing a nuclear device or its component parts.

"Radiological materiel suitable for terrorist use may be stolen or diverted from research centers, hospitals, medical laboratories, or industrial sites. It need not come from a military source.

The fissile material may then be used to surround a core of conventional explosives to build a crude but extremely lethal radiological contamination device. If the World Trade Center bombers had packed their van with such radiological materiel along with the explosives they used, the radioactive debris and ash scattered by the explosion might well have rendered New York's financial district uninhabitable for decades to come . . .

"Yet, the greater terrorist threat, in my view, is from biological agents. They are easy to obtain and virtually impossible to detect, intercept or counteract. They can be incredibly lethal. Only a few grams of pulmonary anthrax, which has something in the order of a 95 percent lethality rate, could take out a major government office complex.

"Similarly, a vial of such an agent dropped from the Senate gallery could take out much of this country's political leadership. Biological agents could be used with deadly effect against those arms of government and the private sector that have earned the ire of political and religious extremists, as well as some cults.

"The terrorist weapon of the future could, at first glance, appear to be an ordinary light bulb which, in actuality, is a preferred covert delivery method for biological agents.

"Terrorists could take several such devices filled with pulmonary anthrax, and toss them onto the tracks of the Washington Metro. The bulbs would shatter and lethal spores would be carried throughout the system by the convection currents of the passing trains. They would cling to the clothing and shoes of the subway commuters who would track it into their homes and offices. Thousands would aspirate the deadly spores. Thousands would die."

While Probst didn't say it in the speech from which I am quoting, he explained to me over lunch that people who die from pulmonary anthrax cannot be safely buried because the spores would continue to live and contaminate the soil. They would have to be burned, he said.

"Botulinum toxin is another agent of concern. It is some 10,000 times more deadly than Sarin, the nerve gas reportedly used in a 'diluted' form by the Japanese cult, Aum Shinrikyo, in its 20 March attack against the Tokyo subway system. . . .

"One might reasonably ask where would terrorists obtain such lethal substances. Well, they might, like white supremacist, Larry Harris, order three vials of bubonic plague from the American Type Culture Collection in Rockville Maryland -- simply by using an official looking letterhead. Or they might like the Patriots' Council, a white supremacist group, respond to an ad in Soldier of Fortune magazine and obtain the formulation for making ricin, which is generally considered the third most deadly substance after plutonium [and the botulism toxin].

(It is worth noting here that the Associated Press reported on December 24 that a Little Rock, Arkansas man named Thomas Lewis Lavy had killed himself in a jail cell after a court hearing in which he was ordered held without bail for charges related to the possession of a ricin with intent to use it as a weapon. Lavy had apparently disappeared after having been arrested on his way into Canada from Alaska in 1993, when customs officials discovered that he had 130 grams of ricin, \$89,000 in cash, four guns, and more than 20,000 rounds of ammunition.)

"Or if they are reluctant to leave a paper trail, they might simply peruse the Internet. An interesting point of fact: A Department of Defense contractor as an experiment recently posted an announcement on an Internet bulletin board that provided the formula for making Sarin . . . The formula was genuine, except for some subtle omissions that would render the result harmless. In less than an hour, some 30 different messages were posted giving the correct formulation and pointing out the errors in the consultant's work . . . .

"Through the manipulation or disruption of vital computer services, the communications infrastructure of virtually any highly industrialized country may be compromised. The results can be massive failure of the electric grid, the gas pipeline system, or vital transport. It is not difficult to imagine a city without electric power and the rapid slide into chaos that would follow if services could not be restored within two or three days. A well-planned attack could leave a city without power for weeks or even longer.

"The international banking and monetary systems are particularly vulnerable. Computer driven attacks could cause major disruptions of electronic fund transfers and the alternation or destruction of vital financial account information. Stock quotes could be altered. Buy and sell orders manipulated. Monies could be deposited to the wrong accounts, or in the wrong amounts, or simply disappear. . . .

"I recently attended a conference sponsored by the Public Health Service and called to discuss potential terrorist use of biological agents. Virtually every expert spoke in terms of 'where, when and how.' It is no longer a question of 'if.'"

The certainty with which experts like Probst discuss the eventuality of highly serious terrorist incidents occurring in the United States relates to their belief that, in Probst's words, there has been a "sea change in the nature of terrorism."

"'Terrorism future' will be quite different from 'terrorism past.' A prime factor is that political terrorism is in decline. In contrast, religious and ethnically motivated terrorism is increasingly ascendant. Such terrorists have introduced a new calculus by their willingness to pursue their aims by whatever means necessary. Unlike terrorists who are politically motivated, terrorists who are inspired by religious fanaticism do not shrink from mass casualty operations. Quite the contrary, they actively seek them.

Political terrorists, even those who expound violent ideologies, usually operate under self-imposed constraints. They are concerned that mass casualty operations would alienate potential recruits, those on the periphery, and other actors who can affect their political fortunes. Religiously motivated terrorists, some cults and other of their ilk, suffer no such constraints and actively seek means to expand and extend the carnage.

Peter and I share a mutual friend named Steve Emerson, who is, like Peter, an expert in field of international terrorism. Steve specializes in the study and investigation of terrorist movements, intelligence issues and the Middle East.

Steve is the author of four books dealing with U.S. national security and the Middle East, and has written extensively for newspapers and national publications. For almost three years, he has concentrated on the rise of radical Islamic extremists networks around the world, and in particular their links and infrastructure throughout the United States. He is a very courageous man. In my opinion, he is an authentic American hero for pursuing his important work in the face of continuing threats to his life.

Last year, a documentary Steve produced entitled "Jihad in America," aired on PBS. It "documented the hitherto unknown infrastructure of radical Islamic networks on American soil featuring leaders of the most militant movements in the world today, including leaders of Hamas, Hizba-Tahrir, Sudanese National Front, Algeria's Islamic Salvation Front, Palestine Islamic Jihad, Egypt's Gama Islamiya and others."

In testimony last year before the Senate Judiciary Committee, he said the following:

"The United States, in my opinion, will increasingly serve as a lightning rod for international terrorists, who perceive the United States as an enemy that must be destroyed because of its inherent evil nature. At the same time, terrorism has shifted from the specific targeting of individuals to attempts to inflict mass casualties. U. S. targets--both abroad and at home--will be subject to increasingly more murderous attacks, using whatever available technology is available. From the low tech bomb--like the World Trade Center bomb (which cost \$3000) and the Oklahoma City bombs consisting of ammonium nitrate and fuel oil--to the hi-tech, double barometric bombs placed aboard Pam Am 103, the challenge for terrorist will be to see who can kill and maim the most Americans.

"I believe that rather than the previous pattern of individual targets, terrorists will attempt to carry out attacks that will generate mass casualties and fatalities. Even without the use of chemical or biological agents--which, as we have seen in Japan, can be manufactured at home with horrifying effect--terrorists will most likely target office buildings or arenas housing large civilian populations."

The average Joe cannot do much directly about any of this. But both Peter and Steve think it is imperative that the public be aware of the nature, urgency and reality of the threat, so they can better support efforts by responsible public officials to respond. Hence, this piece.

Also, of course, I believe it is important for investment people, who are in the business of attempting to look into the future, to be aware that the conflicts that will mark the 21st century are likely to be vastly different from those that dominated the 20th. Those societies that must cope with these new realities are likely to be vastly different also.

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